

AGENDA: May 11, 2004

7.1

CATEGORY: New Business

DEPT.: Community Development

TITLE: Downtown Facade Improvement Grant Program

RECOMMENDATION

1. Transfer \$121,000 from Project No. 84-50, the Revitalization Authority's seed money, to Project No. 95-50, the Downtown Facade Improvement Grant Program.
2. Amend Resolution RA-79 of the Mountain View Revitalization Authority, to modify the Downtown Facade Improvement Grant Program.
3. Authorize the Executive Director of the Revitalization Authority to implement the Facade Improvement Grant Program in accordance with the following modifications:
 - a. The City contributes \$1 for every \$2 of private investment.
 - b. Grants awarded between \$5,000 and \$15,000 depending on linear street frontage.
 - c. Development Review Committee fees waived (to be paid by grant).

FISCAL IMPACT

The existing balance in the Downtown Facade Improvement Grant Program is \$23,126. Staff is proposing to transfer \$121,000 from the Revitalization Authority's seed money, Project No. 84-50, to Project No. 95-50, the Downtown Facade Improvement Grant Program (Facade Program) increasing the balance to \$144,126. The additional funding will support approximately 10 to 15 facade grant applications based on the proposed grant allocation modifications.

BACKGROUND AND ANALYSIS

On May 14, 1996, the City Council allocated \$100,000 from the Revitalization Authority's seed money to fund the Facade Program. This was a one-time allocation with the intent that at a maximum of \$7,000 per grant (\$5,000 for improvements and \$2,000 for architectural services), 14 facade renovations could be funded.

The program was designed to stimulate private investment in high-quality building improvements that contribute to the overall strength of downtown as a shopping and dining destination. It also provides a financial incentive to encourage new retailers to relocate to

downtown and is a source of funding that will help offset some of the expenses associated with the building upgrades often required under the recently adopted Land Use Review Ordinance in the Downtown Precise Plan area.

The current program allocates \$1 for every \$3 of investment with a maximum of \$5,000 awarded. In addition to the grant, each project is eligible for up to \$2,000 in architectural services.

Every property in the 16-block Revitalization District, bounded by Evelyn Avenue, View Street, Mercy Street and Franklin Street, is eligible for a grant (Attachment 2). Facade improvements must entail the entire building. Improvements not eligible for a grant include: painting, a new sign and parking improvements only; removal of illegal improvements; and routine maintenance, cleaning and repair.

Since 1996, a total of \$76,874 has been issued for 15 facade improvements, including approximately \$3,000 issued for sidewalk café improvements (Attachment 4), leaving a balance of \$23,126. The remaining balance will fund approximately three more facade grants.

Proposed Modifications

The Facade Program is a tool used to provide financial incentive to renovate downtown buildings and to encourage new retailers to locate downtown. To date, the program has been successful and has exceeded its original goal of funding up to 14 facade renovations. On average, over the past two years, staff has received five grant applications per year and tenants/owners continue to express their interest in the program. Therefore, to continue to operate the program and to heighten the level of financial incentive, staff is requesting an additional \$121,000.

Staff is also proposing to modify the existing program in order to be more competitive with other communities. Staff researched five other Bay Area communities (Campbell, Daly City, Redwood City, San Mateo and San Jose) where similar programs are implemented (see Attachment 5).

Based upon a comparison of the communities surveyed, the following findings were made:

1. Mountain View offers the least amount of monetary incentive;
2. Grants are awarded on a sliding scale based on linear square footage; and
3. Cities typically waive application fees.

Therefore, staff is recommending the following modifications to the program:

- That Facade Program funds be used to pay the Development Review Committee fees, estimated between \$500 and \$1,900 per application.
- That the matching grant ratio be increased from 3:1 to 2:1, meaning the City would contribute \$1 for every \$2 of private investment.
- That maximum grant amounts be based on linear feet of facade, as shown in Table 1, with grants not to exceed \$15,000, rather than a lump sum.
- That the City continue to award up to \$2,000 for architectural/design fees.

Table 1
Proposed Revision to Facade Grant Improvement Program

Linear Feet of Facade	Maximum Grant Nonhistorical Upgrade	Maximum Grant Historical Upgrade
25' or less	\$5,000	\$6,700
26' - 50'	\$7,500	\$10,000
57' - 75'	\$10,000	\$13,500
76' or more	\$15,000	\$20,000

DOWNTOWN COMMITTEE

The Downtown Committee reviewed the proposed modifications at a meeting held August 5, 2003 (Attachment 6). They recommended the City Council consider the allocation of additional funding and the proposed modifications to the Downtown Facade Grant Improvement Program.

The Downtown Committee and Environmental Planning Commission both recommend a higher financial incentive for property owners or tenants who would upgrade an historical resource in the Downtown Precise Plan area.

CONCLUSION

The above background information and data gathered from similar programs in other Bay Area communities was assimilated into a program that will be the most effective for Mountain View based upon past participation in the program and program goals for 2004-05. Attached is a sample of the revised Facade Grant Program.

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ALTERNATIVES

1. Direct staff to review historical preservation incentive for the Facade Program.
2. No change to the existing program; yet still, transfer \$121,000 from Project No. 84-50 to Project No. 95-50 to allow the Facade Program to continue to be available until the funds are depleted.

PUBLIC NOTICING – Agenda posting.

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- Attachments:
1. Resolution RA-79 of the Mountain View Revitalization Authority
 2. Revitalization District Map
 3. Proposed Facade Improvement Program Modifications
 4. Facade Improvement Map
 5. Community Comparisons
 6. Downtown Committee Minutes

MOUNTAIN VIEW REVITALIZATION AUTHORITY
RESOLUTION NO.
SERIES 2004

AMEND RESOLUTION RA-79 OF THE MOUNTAIN VIEW REVITALIZATION
AUTHORITY TO MODIFY THE
DOWNTOWN FACADE IMPROVEMENT GRANT PROGRAM

WHEREAS, the Revitalization Plan and the Implementation Plan of the Mountain View Revitalization Authority recognize the importance of private investment in downtown and encourage the renovation and improvement of buildings to create a more attractive and successful business environment; and

WHEREAS, there are several buildings in the 16-block Revitalization District that are in need of substantial facade improvements to enhance the vitality of the downtown and to meet the needs of businesses; and

WHEREAS, the Revitalization Authority established a Seed Money Fund to encourage private investment in downtown Mountain View, and said funds have been used for a variety of downtown economic development projects; and

WHEREAS, the Downtown Revitalization Committee reviewed, modified and recommended approval of the proposed modifications to the existing Facade Improvement Grant Program as summarized in the minutes from the Downtown Revitalization Committee meeting of August 5, 2003; and

WHEREAS, facade renovations that make a significant long-term improvement to the building and the streetscape benefit the entire Revitalization District; and

WHEREAS, it is the intent of the Facade Improvement Project to provide incentives to building owners and tenants who are committed to undertaking substantial, high-quality improvements, and it is not the intent of the Facade Improvement Project to fund ordinary maintenance and/or repair activities;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mountain View Revitalization Authority does hereby approve the transfer of \$121,000 from Project 84-50, Revitalization Authority's Seed Money Fund, to Project 95-50, "Facade Improvement Grant Fund."

BE IT FURTHER RESOLVED, that the Executive Director of the Revitalization Authority is hereby authorized to implement the Facade Improvement Grant Program and issue facade grants as described in the modified "Downtown Facade Improvement Grant Program" dated May 2004.

JVB/8/RESO
890-05-11-04R^